



FINANCE POLICY FOR SCHOOLS

Mundella Primary School

Policy created	September 2017
To be reviewed by	H&S Group
To be agreed by	Full Governing Body
Signature 1	Anita Ellerby– Chair of Governors
Signature 2	Frazer Westmorland - Headteacher

Finance Policy

1. Introduction

The Governors of Mundella Primary School are committed to providing sound financial controls, to achieving value for money and to being worthy custodians of public money. To achieve these aims the Headteacher and the Governing Body have drawn up this Finance Policy to provide the guiding principles for which all Governors and staff will operate within the **Circle Model of Governance**.

This policy has been drawn up with reference to the Local Authority's (LA) Scheme for Financing Schools.

2. Principles

Mundella Primary School Finance Policy will adhere to the following principles;

2.1 The responsibilities of the Governing Body, its committees, the Headteacher and staff will be clearly defined and limits of delegated authority established, where applicable.

2.2 The **Governing Body** is responsible for taking steps to ensure that expenditure reflects best value principles. This is done by:

- Using performance data to **compare** attainment and other outcomes from all schools nationally, and with similar schools
- Using the information gained to **challenge** performance and set new targets
- Where financial benchmarking is available, using it to **compare** expenditure with similar schools
- Using fair **competition** through quotations and tenders, ensuring resources and contracts for services are secured in the most economic, efficient and effective way
- **Consulting** stakeholders on Policy development and major changes in the use of resources

2.3 The school will establish sound internal financial controls, based on the LA's Financial Control to ensure the reliability and accuracy of its financial transactions.

2.4 The budget will reflect the school's prioritised educational objectives through its links to the School Plan, which indicates the resource implications of each priority.

2.5 The budget will be subject to effective monitoring, allowing the Governors, Headteacher and staff to maintain financial control in line with Balance Control Mechanism by reviewing the current position and taking any remedial action necessary.

2.6 The school will be adequately insured against exposure to risk.

2.7 The school will ensure that:

- The budget share is spent for the purposes of the school only
- Purchasing arrangements achieve value for money
- There are sound procedures for the administration of personnel matters
- There are sound procedures for the administration of payroll matters
- Stocks, stores and assets are recorded and adequately safeguarded against loss or theft
- All income due is identified and all collections receipted, recorded and banked promptly
- The operation of the bank account and the reconciliation of bank balances with the accounting records are properly controlled
- Mileage will be refunded following guidelines in 3.8.1.
- The use of petty cash is strictly controlled
- The use of a Purchase Card is strictly controlled
- Any suspected irregularity will be reported immediately to the LA's Head of Internal Audit
- The school will adhere to current Data Protection legislation
- Appropriate training in financial administration will be given to enable staff cover at all times

3. Putting Policy into Practice

3.1 Delegated Authority

The Full **Governing Body** of Mundella Primary School has overall responsibility for the management of all of the school's finances covering the revenue budget, other budgets delegated or devolved by the LA.

The Full **Governing Body** of Mundella Primary School will ensure the annual detailed report of the Schools Financial Value Standard (SFVS) is provided to them and the chair of governors will sign the completed form prior to sending a copy to the LA.

The Full **Governing Body** of Mundella Primary School will annually review and approve the Finance Policy and all Terms of Reference for the Teams and Monitoring Pairs.

The **Finance Monitoring Pair** is delegated responsibility by the Governing Body for the following aspects of financial management:

- Evaluate and recommend the three year budget plan, which shows clear links to the School/Development Improvement Plan, for approval by the Full Governing Body
- Strategic planning e.g. ensuring links to the School Improvement Plan and report to the Full Governing Body
- To annually review and approve the Charging and Remissions Policy
- To annually review and approve a Pay Policy
- To make decisions in respect of service agreements and insurance
- To advise the Full Governing Body of any consultations to change the LA Scheme for Financing Schools

- To report monitoring and outturn position to the Full Governing Body, highlighting any significant variances
- Evaluate and report on Tenders for Contract Services to the Full Governing Body
- Keeping in-school financial procedures under review
- Active involvement in any consultations to change the LA Scheme for Financing Schools
- Benchmark the school financial performance and report to the Full Governing Body

The **Headteacher** is responsible for implementing the decisions of the Governing Body and for the operational management of the school. The general administration of financial procedures may be delegated to other members of staff at the discretion of the Headteacher and this delegation should be documented in the Finance Policy.

3.2 Internal Financial Controls

The internal financial controls operated by Mundella Primary School follow the controls set out in the LA's Scheme for Financing Schools. Any additional internal financial controls included within the school's financial procedures are reviewed by the Finance Monitoring Pair and ratified by the Governing Body.

3.3 Financial Links to the School Improvement Plan

The **School Plan** has sufficient scope and depth of financial implications and it is reflected in the school's three year budget plan.

3.4 Monitoring and Virements

Mundella Primary School recognises that the regular monitoring of income and expenditure against the agreed budget is central to effective financial management. To this end, the Headteacher carries out a monthly internal monitoring procedure, copied to the Finance Monitoring Pair. A monitoring report is taken to all the meetings of the Finance Monitoring Pair which reports, as required, to the Full Governing Body. Monitoring reports are submitted to the LA in accordance with its timetable. Governors should ensure their meetings are timed to see all monitoring submitted to the LA either prior to submission or soon after. This will ensure they have an up-to-date position of the school's finances.

On occasions, virements may need to be carried out. Virements to the ratified budget are minuted appropriately and require the following authorisation:

Virements up to £10,000.00 - The Headteacher, reported to the Finance Monitoring Team

Virements over £10,000.00 – The Full Governing Body

3.5 Insurance

Mundella Primary School is insured through **the Kent County Council 'Safe Hands' Scheme** with relevant cover, as identified by the schedule received from the LA's Insurance section.

Mundella Primary School recognises that cash is not insured through the LA's Insurance policy.

3.6 Purchasing

At Mundella Primary School, budgets are delegated to co-ordinators and class teachers. Budget holders prepare a 'needs budget' for their area of responsibility, which is approved by the Headteacher in line with the priority needs of the school and the School Plan.

All staff adhere to the school procedures for purchasing items, as laid down in the School's Staff Handbook, paying regard to value for money at all times. The Headteacher or Deputy Head authorises all orders and invoices prior to payment.

Where the school purchases large items, we adhere to the procedure for 'Spending the Council's Money' as laid down in the 'Scheme for Financing Schools' (www.kent.gov.uk/publications/business/spending-councils-money.htm)

In summary:

- For orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted to the **Finance Monitoring Pair** for evaluation and report to the Full Governing Body
- For orders in excess of £50,000, no fewer than three competitive tenders are sought and submitted to the Full Governing Body for evaluation and approval

All of the above will be reported and minuted at the Full Governing Body meeting to ensure that the School is seen to be obtaining value for money at all times.

The school does not enter into any Hire Purchase agreements, Finance agreements or Finance Leases unless arranged through KCS.

3.7 Personnel Matters

At Mundella Primary School, at the start of every financial year the **Headteacher** uses the three year salary calculator provided by the LA to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the **Finance Monitoring Pair** for incorporation into the school budget planning process.

The **HT Performance Management Team** undertakes an annual review of the Headteacher's salary, and recommends enhancements, if applicable, to the Full Governing Body for approval.

The Headteacher undertakes an annual review of all other staff, in accordance with the Governors'

Pay Policy and reports to the Full Governing Body.

Details of all salaries are recorded as a confidential item in the minutes.

3.8 Payroll Matters

The payroll provider at Mundella Primary School is Capita Business Services Ltd, who provides payroll services to the specification laid down by the LA. The Headteacher or Deputy Headteacher, signs off the monthly payroll reports once they have been checked for accuracy by the Bursar.

3.8.1. Travel Claims through Payroll

Travel claims, from staff, are paid through Payroll. Mileage claimed must be mileage additional to the normal home/designated place of work journey.

3.9 Safeguard of Stocks, Stores and Assets

All staff at Mundella Primary School are responsible for the security of school assets. Co-ordinators, subject managers and class teachers safeguard their assets. Assets are recorded on a general asset register, maintained and updated by the school office which is checked at least on an annual basis and certified by the Headteacher.

Items of value are held in a locked cupboard/cabinet, wherever possible and all items are visibly security marked to deter theft.

Where assets are written off and disposed of, the **Finance Monitoring Pair** agrees this and the agreement is minuted.

Where school assets are loaned to staff or pupils, a loans record is completed upon borrowing the item and again upon the item's return.

3.10 Income

At Mundella Primary School, Lettings Policy is reviewed, updated and approved on an annual basis by the Finance Monitoring Team.

Where debts are required to be written off, after every effort has been made by the Headteacher and Governors to recoup the monies, the Full Governing Body will approve up to £1000. Approval to write off debts over £1,000 is required in writing from the Schools Finance Services Manager.

Since the LA does not insure for cash held on the school premises, we have agreed a level of cash to be held in school at any one time as £200. Cash will be receipted, recorded and banked promptly at all times.

3.11 The School Bank Account

Mundella Primary School operates its school bank account(s) in accordance with the regulations in the LA's Scheme for Financing Schools and the LA guidance. The school operates only one current account for the administration of KCC official funds.

Bank account signatories are updated immediately there is a change in staffing and details are copied to the Statutory Unit, as a matter of course.

Bank statements at Mundella Primary School are received on a monthly basis and reconciled to the school's local system with priority. The Headteacher signs and dates the bank statement when the reconciliation has been checked by the Office Manager (Mrs R. Milton).

3.12 Petty Cash

Petty Cash is held securely at all times and the limit for petty cash is £200. At Mundella Primary School, petty cash transactions are kept to a minimum and the maximum value of any one transaction is £60. All staff obtain proper VAT receipts for petty cash purchases, wherever possible, as this demonstrates value for money in respect of the school budget and satisfies legislative requirements.

3.13 Purchase Cards

Mundella Primary School operates an approved Purchase Card in accordance with the LA guidance. The approved purchase card users are the Headteacher, Office Manager (Mrs R. Milton), Maintenance Caretaker and Senior Family Liaison Officer. The monthly card limit is £1500.00 for the Headteacher (Mr Westmorland), £1500.00 for the Office Manager (Mrs R. Milton), £500 for the Maintenance Caretaker Mr Dickson and £500 for the Senior Family Liaison Officer Mrs Gretton. Personal credit/debit cards will not be used for the purchase of items for the school.

The school will review the card holders and will add additional card holders if needed. This will be monitored by the Finance Governing Pair.

3.14 Irregularities

All staff at Mundella Primary School are aware of the LA's Whistleblowing procedure. These details are available to staff in their staff handbook.

3.15 Data Protection

Under the terms of the Data Protection Act 1998, the Headteacher and Governing Body are required to notify the Information Commissioner of our processing, storage and disclosure of data procedures, which are covered by this legislation. To this end, we have a password protection procedure, laid down in the staff handbook. Systems are backed up regularly and the backups held securely, virus protection is in place and is updated regularly and the school has a disaster recovery plan for the administration network.

3.16 Financial Administration

At Mundella Primary School the Office Manager (Mrs R. Milton) is trained in the use of the finance software and financial administration procedures. The School purchases insurance cover for teaching staff and the Office Manager (Mrs R. Milton) in the event of illness. The school also purchases a support contract for telephone finance helpline through the Authority's Finance Trading and Contract Management team, which is reviewed on an annual basis. In the event of absence through illness of the Office Manager (Mrs R. Milton) the school, through its insurance funding, would be able to buy additional support from the Authority's Finance Trading and Contract Management team to do the financial work of the Office Manager (Mrs R. Milton).

Signed..... Date.....
(Chair of Governors)

Signed..... Date:.....
(Chair of Strategy Team)

Signed..... Date:.....
(Headteacher)